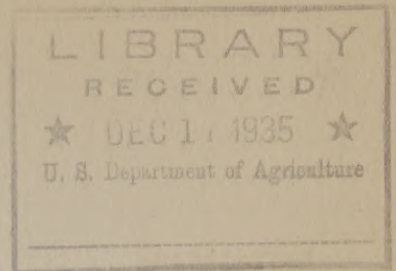


1.94
C82 Cac



P R E L I M I N A R Y

C.A.C. 2

Issued

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

- - - - -

ADMINISTRATIVE RULINGS

APPLICABLE FOR 1936

To The

COTTON ADJUSTMENT CONTRACT FOR 1936-1939

- - -

RULINGS NOS. 1 TO 24

(S E A L)

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1936

CONTENTS

	Page
Definitions.....	1
Rulings.....	2
1. Persons Eligible to Sign Contracts.....	2
2. Farms Eligible to be Covered by Contracts in 1936.....	3
3. Determination of Base Cotton Acreage and Average Cotton Yield in Contracts.....	4
4. Land in Farm Covered by Contract.....	4
5. Acreage Planted to Cotton.....	4
6. Total Cotton Acreage and Production on Contracts Within the County	4
7. Change in Size of Farm	4
8. Minimum Cotton Acreage Adjustment.....	6
9. Acreage Adjustment for Base Cotton Acreage of Not More than Five Acres Nor Less than One Acre.....	6
10. Fractional Units in Acres or Yield of Lint per acre.....	6
11. Definition of Cultivated Land.....	7
12. Share Tenant Operating Entire Farm.....	7
13. The Designation and Location of the Farm.....	7
14. Change of Operator.....	8
15. Release of Farms from Provisions of Section 5 of the Contract.....	9
16. Use of Land Withheld from Planting of Cotton.....	10
17. Joint Committees.....	11
18. Number of Share Tenants and Share Croppers and Distri- bution of Cotton Acreage Among the Share Tenants and Share Croppers.....	12
19. Change in Status of Tenant.....	12
20. Effect of Breach of Contract on Other Contracts.....	13
21. Certification of Performance.....	14
22. Obligation to Plant at Least 50 Percent of the Stipulated Acreage which may be Planted Under the Terms of the Contract.....	14
23. Manner of Payment in 1936.....	14
24. Designation of Beneficiary.....	15
25. Application of Rulings and Reservation of Right to Amend..	15

ADMINISTRATIVE RULINGS APPLICABLE FOR 1936 TO THE
COTTON ADJUSTMENT CONTRACT FOR 1936-1939

DEFINITIONS

As used throughout these Administrative Rulings, unless the content clearly indicates another meaning, each of the following terms shall be taken to have the meaning set opposite it below, and the singular shall include the plural, the plural the singular, and the masculine gender shall include the feminine and/or neuter gender:

Secretary: The Secretary of Agriculture of the United States.

Director of the Division of Cotton: The Director of the Division of Cotton of the Agricultural Adjustment Administration, Department of Agriculture of the United States.

State Board: The State Cotton Board established in or for the cotton-producing State in question in the manner prescribed in instructions issued by the Secretary.

County Cotton Adjustment Association: The County Cotton Adjustment Association organized pursuant to the Articles of Association for such County Cotton Adjustment Association, Form No. CAC 3, for the purpose of cooperating with the Secretary in making effective the provisions of the Agricultural Adjustment Act in their application to cotton.

County Committee: The County Committee of the County Cotton Adjustment Association, composed of 3 members and constituted in accordance with Articles of Association as recognized by the Secretary in his approval of such articles.

Community Committee: The Community Committee of the County Cotton Adjustment Association composed of 3 members representing a community of the county in which such community is located.

Person: An individual, a partnership, a corporation, a joint-stock company, a trust or estate, or an association. When used with respect to eligibility to sign contracts the term "person" includes tenants in common, joint tenants, tenants by the entirety, and owners in community, as these terms are used in their usual legal significance.

Operator: A person who as owner or tenant operates a farm without supervision and who is entitled to receive all or a portion of the cotton crop produced on such farm during the crop year in question.

Landlord: A person who as owner, cash tenant, or standing or fixed rent tenant, rents the entire farm to a share tenant and is entitled to a portion of the cotton crop produced on such farm by virtue of the terms of the lease or operating agreement.

Share tenant: A person other than the landlord who operates a farm in whole or in part and pays to the landlord as rent a proportionate

part of the cotton produced thereon, or the proceeds therefrom when sold for the landlord. The share tenant supplies his own workstock and equipment used in his farming operations.

Share cropper: A person who works a farm in whole or in part and receives for his labor a proportionate part of the cotton produced thereon, or the proceeds therefrom when sold by or for him. The share cropper does not supply the workstock and equipment used in his farming operations.

Farm: The land which is to be covered by a contract.

Farm operating headquarters: The center from which the farming operations are carried on, where the major part of the farm buildings are located and where the greater part of the workstock and equipment is kept.

Producer unit: The term "producer unit" means any tract of land, (whether a whole farm or a subdivision thereof) on which cotton is planted and which is operated by (1) landowner, cash tenant, or standing rent (or fixed rent) tenant, with his own labor or with hired labor other than share croppers, or (2) a share tenant without the aid of any share cropper, or (3) a share cropper.

Base cotton acreage: That acreage of cotton apportioned to a farm for a contract year from the acreage quota allocated to the county in which the farm is located in whole or in part as determined from the location of the farm operating headquarters and from which apportionment adjustment will be made under the terms of the contract.

Adjusted acreage: The acreage withheld from planting of cotton under the terms of the contract.

Base cotton production: That poundage of cotton apportioned to a farm for a contract year from the production quota allocated to the county in which the farm is located in whole or in part as determined from the location of the farm operating headquarters.

Contract: A Cotton Adjustment Contract for 1936-1939, Form No. CAC 1.

Contract year: The year January 1 to December 31.

Contract years: The years 1936, 1937, 1938, and 1939.

ADMINISTRATIVE RULINGS

1. PERSONS ELIGIBLE TO SIGN CONTRACTS. - A Cotton Adjustment Contract may be signed (during the period for receiving offers of contracts as fixed or approved by the Director of the Division of Cotton) by any person who for the 1936 crop season will be engaged in producing cotton on land with an eligible cotton base as:

a. An owner operating his own farm:

b. A tenant operating a farm rented by him for cash or for a fixed commodity payment:

c. An operator of a farm being purchased by him for cash or a fixed commodity payment: (who, if the title to the farm is not vested in him but remains in the vendor, shall, for the purpose of section 13 of the contract be considered as its owner):

d. A share tenant operating an entire farm on a crop-share lease or agreement: or

A producer belonging in such other class as may be declared by the Secretary to be eligible to sign.

In case an entire farm is operated by a share tenant and such farm is under a separate contract it is required that the contract be signed by both the landlord and such share tenant. In such cases the landlord and the share tenant shall each be referred to as a contract signer.

2. FARMS ELIGIBLE TO BE COVERED BY CONTRACTS IN 1936. -

A farm with a base cotton acreage of one whole acre or more shall be eligible to be covered in 1936 by a Cotton Adjustment Contract for 1936-1939 if cotton will be planted on such farm in 1936 and if cotton was planted on such farm in:

a. Both 1934 and 1935, or

b. Either 1934 or 1935 and in at least one other year previous to 1936 and since 1930, or

c. 1934 but not in 1935 because in 1935 the entire base cotton acreage was rented to the Secretary under a 1934 and 1935 Cotton Acreage Reduction Contract, or

d. 1935 but not in 1934 because in 1934 the entire base cotton acreage was rented to the Secretary under a 1934 and 1935 Cotton Acreage Reduction Contract, or

e. Neither 1934 nor 1935 because the entire base cotton acreage was, for each such year, rented to the Secretary under a 1934 and 1935 Cotton Acreage Reduction Contract, or

f. Only one or neither of the years 1934 and 1935 and such failure to plant thereon in such year or years was caused by drought, flood, or excessive rains which, for the same period of time, prevented the commercial production of other agricultural commodities on the land so affected and

if cotton was planted on such farm in at least one year previous to 1936 and since 1930. (See exception in Ruling 9 herein).

3. DETERMINATION OF BASE COTTON ACREAGE AND AVERAGE COTTON YIELD IN CONTRACTS. - The base acreage and average yield set forth in the contract shall be computed strictly in accordance with the bases set forth in instructions to the State Cotton Board issued over the signature of the Director of the Division of Cotton and approved by the Secretary.

4. LAND IN FARM COVERED BY CONTRACT. - Only that acreage which is in the farm as it will be operated in any contract year may be used in determining for such contract year the base cotton acreage and the base cotton production, average yield of cotton, total cultivated land in farm, and the percentage of cultivated land in cotton for such farm.

If in any contract year two or more tracts of land which have been operated prior to 1936 as separate farms or portions of separate farms are operated as a single farm, the base acreage and base production of such farm shall not be greater than the sums of the base acreage and the base production of the several tracts making up the farm.

If a farm which has prior to 1936 been operated as a single farm is divided and operated in any contract year as two or more separate farms, the total base acreage and total base production of such farms shall not be greater than the base acreage and base production of the farm before being so divided.

5. ACREAGE PLANTED TO COTTON. - In determining the base cotton acreage to which a farm is entitled the number of acres planted to cotton for any year shall be that number of acres of cotton in cultivation on July 1 of such year (or, in case it is found by the County Committee that planting was delayed by drought or flood it shall be that number of acres in cultivation on July 15 of such year).

6. TOTAL COTTON ACREAGE AND PRODUCTION ON CONTRACTS WITHIN THE COUNTY. - The total base cotton acreage and total base cotton production approved for all contracts within the county shall not be greater than the amounts respectively which bear that ratio to the total county quota of acreage and production which is determined, upon the basis prescribed in official instructions, to be applicable to the county.

7. CHANGE IN SIZE OF FARM. -

a. Farms Under Contract. - If at any time prior to the planting of cotton in any contract year there has been added to a farm under contract additional land by purchase or otherwise, the contract on the original farm shall be canceled and a new contract may be entered into covering the original farm and the additional land.

If at any time prior to the planting of cotton in any contract year the land in a farm under contract has been reduced by sale or otherwise, the contract on such farm shall be canceled and new contracts may be entered into covering each portion of the farm so subdivided and

executed on the basis of section b of this Ruling.

b. Allocation of Base Cotton Acreage and Average Annual Cotton Production. - In case a farm is subdivided after December 31, 1935 (regardless of whether such farm has been covered by a 1936-1939 Cotton Adjustment Contract during the year of such subdivision or any previous year) the base cotton acreage and base cotton production of such farm shall have been apportioned to the several subdivisions thereof before any offer of a contract covering any subdivision of such farm is recommended for acceptance by the Secretary. This apportionment of the base cotton acreage and base cotton production of such farm to the subdivisions thereof shall be made and agreed to by the parties interested in the several subdivisions of such farm, or if not agreed to by them shall be apportioned by the County Committee, as provided below in paragraph 1 or 2, as the case may be.

(1) Division by the Interested Parties. - There shall be filed with the County Committee a statement signed by all persons, who, as a result of the transaction or proceeding which resulted in such subdivision of a farm, acquired ownership or control of portions of the farm so subdivided stipulating that such persons agreed in, or in connection with or as a result of, such transaction or proceeding upon a fixed and definite disposition (set forth in such stipulation) of the base cotton acreage and base cotton production of such farm between such subdivisions of the farm, and the County Committee shall abide by and give effect to such stipulation in passing upon any contract offer covering any such subdivision.

(2) Division by the County Committee. - In the event that the interested parties fail to apportion to the several subdivisions of a divided farm the base cotton acreage and base cotton production of such farm the County Committee shall apportion to each subdivision of such farm a percentage of the base cotton acreage and base cotton production in the proportion that the cultivated land adapted to cotton production in each such subdivision bears to the total cultivated land adapted to cotton production in the entire farm as determined by the County Committee. Such apportionment (whether made by the County Committee or determined on appeal) shall be made according to the following procedure:

(i) Determine the total acreage of cultivated land adapted to cotton production in the entire farm at the time of such subdivision;

(ii) Determine the acreage of cultivated land adapted to cotton production in each subdivision;

(iii) Compute the percentage of the total acreage of cultivated land adapted to cotton production in the entire farm represented by the acreage of cultivated land adapted to cotton production in each subdivision (item 2 divided by item 1 x 100);

(iiii) Determine the base cotton acreage and base cotton production for the entire farm on the basis of the procedure prescribed under Ruling No. 3 herein; and

(iiii) Apply the percentage obtained (item 3) to the base cotton acreage and base cotton production as determined (item 4) and the resultant figures shall constitute the base cotton acreage and base cotton production for each subdivision.

Such apportionment shall be made after five calendar days from the date set forth for the hearing in a notice in writing that an apportionment is required to be made and setting a reasonable time and reasonably accessible place for hearing thereon, which notice shall be given at least ten calendar days in advance of such hearing and shall be individually forwarded by the County Committee addressed to each person who is party to any such contract offer and to each person who is eligible to enter into a contract offer covering each other subdivision of such farm. The County Committee shall hear and consider all information and arguments presented at such hearing orally or in writing by any such party or person or his representative, and upon the conclusion of the hearing shall determine such apportionment pursuant to the standards laid down by this ruling in the light of all available information. As soon as such apportionment shall have been made the County Committee shall give notice in writing of the figures contained in such apportionment addressed to and forwarded to each such person eligible to execute a contract on a subdivision of the farm in question. In the event that any such party or person is dissatisfied with such apportionment he may appeal from the County Committee's determination of such apportionment by following the procedure prescribed by the Secretary covering the hearing and administrative determination of appeals of producers from recommendations and determinations of the County Committee.

8. MINIMUM COTTON ACREAGE ADJUSTMENT. - The adjusted acreage for any contract year shall in no case be less than one acre.

9. ACREAGE ADJUSTMENT FOR BASE COTTON ACREAGE OF NOT MORE THAN FIVE ACRES NOR LESS THAN ONE ACRE. - Any person eligible to sign a contract on a farm having a base cotton acreage of not more than five acres but not less than one acre may sign a contract for the withholding from planting of cotton of any number of acres not in excess of the base acreage for such farms and not less than one acre. For such acreage adjustment the contract signer shall receive adjustment payment on the total of such acreage withheld from planting of cotton. (See Ruling No. 10 herein.)

10. FRACTIONAL UNITS IN ACRES OR YIELD OF LINT PER ACRE. - In all figures representing final results of calculations as to base cotton acreage or yield, fractions amounting to .5 of a unit or less shall be dropped and fractions amounting to more than .5 of a unit shall be considered a whole unit, provided that if the base cotton acreage is not more than ten acres nor less than one acre, fractional acres expressed in tenths shall be retained in the final results of the base cotton acreage and acreage which may be planted to cotton in any contract year. Hundredths amounting to five or less shall be dropped and hundredths amounting to more than five shall be considered as a whole tenth. In no case shall adjustment payments be made other than on whole acres; except that in case the contract signer removed from production his entire base cotton acreage, as provided in Ruling No. 9

herein, the acres to be withheld from planting of cotton may be expressed in whole acres and tenths of an acre and adjustment payment shall be made on such whole acres and tenths of an acre.

If application of this ruling causes the acres to be withheld from planting of cotton to be greater than the maximum percentage adjustment or less than the minimum percentage adjustment allowed under the contract, the acres to be withheld from planting of cotton shall, notwithstanding, be expressed as the whole number of acres determined by the application of this ruling.

11. DEFINITION OF CULTIVATED LAND. - "Cultivated land" is that part of the farm from which one or more seeded field or truck crops are harvested annually, including that portion of any orchard or vineyard where field or truck crops are interplanted for harvest, and also lands planted to soil-improving crops and fallow lands that are normally used for crop production.

For irrigated farms, "cultivated land" shall apply only to those lands actually being irrigated or to those lands for which there is a developed water supply and which are normally irrigated. In no case shall the acreage of "cultivated land" considered respecting an irrigated farm be greater than the acreage of land adapted to cotton which might be grown to summer crops under irrigation in any one year on such farm. The land planted to dry-land grain crops shall not be considered "cultivated land" on irrigated farms.

12. SHARE TENANTS OPERATING ENTIRE FARM. - This class of share tenant means any share tenant who operates a farm in its entirety and shall include each of two or more share tenants who together operate land commonly referred to as a "farm" where each such share tenant operates a part of such land independent of the other such share tenant(s) the land operated by each being considered under this cotton ruling as a separate farm. No single contract shall include tracts of land operated by two or more such share tenants. No single contract shall include tracts of land operated by such a share tenant and owned by different landlords.

13. THE DESIGNATION AND LOCATION OF THE FARM. - a. The contract signer may enter all of his holdings within one county as one farm under a single contract, subject to the provisions of Rulings Nos. 7 and 12 herein.

b. When a given acreage of land in one tract or two or more contiguous tracts owned by a person, firm, or corporation is located in each of two or more counties in the same State or different States, the contract covering such farm shall be executed in the county in which the farm operating headquarters is located. In the absence of a headquarters on the farm, the contract covering such farm shall be executed in the county in which the major part is located and the contract shall be handled by the appropriate Community Committee of that county. After the County Committees concerned have determined the base cotton acreage and base cotton production of all farms lying within two or more counties covered by contracts for any contract year, the net amounts of such acreage and/or production due the county or counties entitled to a balance of such acreage

and/or production shall be agreed upon and a joint statement setting forth these net amounts shall be made to the State Cotton Board.

14. CHANGE OF OPERATOR. - a. In the event that any person who has made any offer to enter into a contract dies, becomes incompetent, abandons the farm, sells or rents (for cash or standing or fixed rent, or for a share of the crop in the case of a share tenant operating an entire farm) all or any part of the farm, or desires to add additional land to the farm, before acceptance by the Secretary of such contract offer, all three copies of the contract offer shall be disregarded and new contract forms may be prepared and executed in conformity to the factual situation existing after such change.

b. If any person who has executed any contract which has been accepted by the Secretary sells or rents (for cash or standing or fixed rent, or for share of crop in the case of a share tenant operating an entire farm) all or any part of the farm, or desires to add additional land to the farm, such change to become effective at the end of any contract year, the contract shall be terminated at the end of such year, and a new contract(s) may be executed by the person(s) operating the farm or parts thereof under the new arrangement.

c. If such change in legal relation to the farm is made after the acceptance of the contract by the Secretary and is to become effective before the end of the contract year during which the change was made, any person who is not already a party to the contract and who is eligible to become a party to the contract shall, in order to become a party, submit to the Secretary a "Change of Legal Status", Form No. CAC 5, upon acceptance of such form by or on behalf of the Secretary such person shall become a party to the contract subject to the conditions set forth in such form.

d. If any person who executes a contract adds land to his farm or acquires an additional farm, on which in either case cotton is growing, such addition or acquisition becoming effective after the contract of such contract signer has been accepted by the Secretary but before the end of the contract year in which the change took place and such land or farm is not under a contract, such addition or acquisition shall not be deemed noncompliance with the contract(s) of such contract signer unless there is evidence of intention to evade or defeat the purpose of the 1936-1939 Cotton Adjustment Program. If such change in legal relation to the land or farm subsists into the following contract year the contract of such contract signer shall be canceled effective as of the end of the contract year in which the change was made and he may execute a new contract in conformity to the facts of the change, provided the 1936-1939 Cotton Adjustment Program is operative for that year.

e. Where any person who has executed a contract dies, becomes incompetent, or abandons the farm and/or crop covered by such contract, after the contract has been accepted by the Secretary but before full compliance with the terms of the contract for the year during which such contingency occurs, and one or more other eligible persons continue the operation of the farm for such contract year, each of the latter may be substituted as a party to the contract in place of such contract signer, upon the execution and

acceptance of "Change of Legal Status" Form No. CAC 5.

15. RELEASE OF FARMS FROM PROVISIONS OF SECTION 5 OF THE CONTRACT. - The Director of the Division of Cotton as agent of the Secretary may suspend the provisions of section 5 of the contract in respect to any operator or landlord and authorize the exemption of particular farms from the provisions of such section when evidence satisfactory to him has been presented showing that such suspension is necessary in order to permit the operator or landlord to sign a contract. Such exemption shall be subject to such terms and conditions in conformity with the objectives of the Cotton Adjustment Program for 1936-1939 as the Director of the Division of Cotton may prescribe:

Except that a County Committee upon receiving a request for the suspension of the provisions of section 5 of any contract may recommend such suspension under the conditions and terms set forth below:

a. Refusal to Sign by Person Whose Signature is Necessary. - In the event any operator or landlord who has signed a contract covering one or more farms is unable to obtain the signature(s) of any person(s) necessary to the making of a contract covering any other cotton farm owned, operated, or controlled by such operator or landlord, such contract offer(s) as already have been signed by him may be recommended for acceptance by the Secretary under the following terms: Such operator or landlord shall submit a written statement to the County Committee of the county in which his farm(s) for which he offers contract(s) is located, listing every cotton farm (wherever situated) owned, operated, or controlled by him. This statement shall set forth that such operator or landlord desires to cooperate on all cotton farms owned, operated, or controlled by him but is prevented from doing so as to a specified farm or farms because of refusal on the part of any person(s) whose signature is necessary to complete the contract offer(s) covering any such farm(s), and he shall set forth the name and address of the person(s) so refusing. The County Committee in whose jurisdiction such farm(s) is located shall then cause the person(s) so refusing to be consulted and if the facts are set forth in the statement, and if it is impossible to secure the cooperation and signature of the person(s) so refusing, then all other contracts offered by such operator or landlord covering farm(s) within such county shall be considered on the merits of each offer and, if otherwise acceptable, the County Committee may recommend acceptance of such contract offer(s) regardless of the provisions of section 5 of the contract. A written record shall be kept by the County Committee of each case within the county in which any person whose signature is necessary to a contract offer has refused to sign, and such record shall be signed and certified to by said County Committee.

b. Nonparticipating Agreements Covering Ineligible Farms. - In the event that any signer of a contract covering one or more farms also owns, operates, or controls one or more other cotton farms respecting which such contract(s) cannot be entered into because of the limitations imposed by Ruling No. 2 herein and such contract signer requests, through the County Committee in the county in which such farm(s) is located, that section 5 be suspended because of such ineligible farm(s), the County Com-

mittee, if it finds such suspension is necessary to promote the purposes of the Cotton Adjustment Program for 1936-1939, may recommend such suspension provided such contract signer executes a "Nonparticipating Agreement", on the prescribed form, covering every such ineligible farm (wherever situated). In no case shall any adjustment payment or other payment be made under such an agreement. Nonparticipating Agreements shall be approved by the County Committee and the State Cotton Board and shall be subject to the approval of the designated agent of the Secretary. Certification of performance of such agreements shall be based upon inspection solely to verify that the acreage in cotton therein stipulated has not been exceeded. The County Committee, subject to the approval of the designated agent of the Secretary, shall assign to each farm to be operated under a Nonparticipating Agreement an acreage that may be planted to cotton determined in accordance with whichever one of the two plans outlined below is agreed upon by the producer and landlord.

Plan 1. Seventy-Five Percent of Base Acreage. - An acreage to be planted to cotton on such farm not to exceed 75 per cent of the average acreage planted to cotton during such of the years 1928 to 1933 (inclusive) as cotton was planted on such farm, but in no case shall the acreage planted to cotton on such farm in any contract year in which such farm is covered by a Nonparticipating Agreement exceed one-third of the acreage in cultivated field crops planted on such farm in such year.

Plan 2. Cotton Acreage not Greater Percentage of Cultivated Acres than base Acreage is of Cultivated Acreage on Farms under Contract. - The acreage to be planted to cotton on such farm shall not be a greater percentage of the acreage in cultivated field crops planted on such farm in any contract year in which such farm is covered by a nonparticipating agreement than the percentage that the base acreage is of the total acreage in cultivation on farms under contract in 1935 in the county in which such farm is located. But in no case shall the cotton acreage which may be planted under such a nonparticipating agreement be greater than the average number of acres planted to cotton during such of the years 1928 to 1933 (inclusive) that cotton was planted on such farm.

"Acreage in cultivated field crops" under either plan shall mean any acreage in cultivated row crops or broadcast crops (including small grains harvested in the spring) that are either seeded or harvested before July 15 of the year in which the farm is covered by a nonparticipating agreement, and in irrigated districts such term shall apply only to crops grown on "cultivated land". The acreage in cultivated field crops shall not include idle lands, permanent pasture lands, nor lands from which wild hay (from grasses not seeded) is harvested without cultivation in the year the farm is covered by a nonparticipating agreement. Acreages which are double-cropped shall be counted only once. Acreages planted to field crops after July 15 for harvest the following year shall not be counted as cultivated field crops in the year the crops are planted, but if crops seeded after July 15 are for harvest the same year certification of performance shall be withheld until such crops have been seeded unless the County Committee finds that there is no possibility of failure to comply with the terms of the nonparticipating agreement.

16. USE OF LAND WITHHELD FROM PLANTING OF COTTON. - The land

withheld from planting of cotton under the terms of the contract shall be used for the following enumerated purposes and none other, except such additional or other uses as may be prescribed from time to time by the Secretary:

a. Planting soil-improving or erosion-preventing crops, such as cowpeas, field peas, clover, vetch, lespedeza, or any other crops used to cover the ground and which are to be plowed under for the purpose of maintaining and improving fertility of the soil.

b. Planting or utilization of crops for pasture, such as the small grains, legumes or other similar crops, planted or unplanted grasses for temporary or permanent pasture.

c. Fallow or not cropped: that is, the land will not be planted but it may or may not be worked.

d. Forest trees. The land withheld from planting of cotton under contract and which, since January 1, 1935, has been planted or seeded naturally to forest trees may be considered cotton land and a part of the base acreage for the term of the Cotton Adjustment Contract for 1936-1939 covering the farm.

e. Food crops for consumption on the farm, such as vegetables, grains, fruits, etc., which can be used for human consumption on the farm. Such crops shall not be sold or exchanged off the farm, except that portion which is commonly exacted as toll for processing such crops for use on the farm.

f. Feed crops for the maintenance of or the production of livestock and livestock products for use or consumption on the farm. Such crops, livestock, or livestock products produced therefrom shall not be sold or exchanged off the farm, except that portion which is commonly exacted as toll for processing such crops, livestock, or livestock products for use on the farm.

The acreage of land so devoted to any of the foregoing uses (paragraphs a-f) shall be additional to the acreage normally utilized for such purposes on the farm.

The failure of a contract signer to devote the land withheld from planting of cotton under the terms of the contract to the uses specified in this Ruling shall be deemed noncompliance with the contract for the year or years in which such failure occurs.

17. JOINT COMMITTEES. - In any county in which there are one or more production Adjustment Associations duly organized to make effective provisions of the Agricultural Adjustment Act in their application to basic commodities other than cotton, the County Committee may appoint one of their number or one or more Community Committeemen to act in co-operation with representatives of such other associations, to consider the data submitted with reference to specific farms by applicants for commodity contracts. The crop history for any individual farm cover-

ing which application is made or is to be made for a Cotton Adjustment Contract for 1936-1939 as agreed upon by such Joint Committee and subject to the approval of the County Committee shall be considered in establishing the base cotton acreage and/or production for such farm and shall be used as a basis for determining compliance with such contract particularly Section 6.

18. NUMBER OF SHARE TENANTS AND SHARE CROPPERS AND DISTRIBUTION OF COTTON ACREAGE AMONG THE SHARE TENANTS AND SHARE CROPPERS. - The contract signer shall not in any contract year reduce the number of share tenants and share croppers engaged in the production of cotton on his farm below the number so engaged on such farm in the next preceding year or reduce the percentage of the total acreage of cotton planted on the farm which is planted by share tenants and/or share croppers below the percentage of the total acreage of cotton planted on the farm which was planted by share tenants and/or share croppers in the next preceding year, except where it is shown to the satisfaction of the Community Committee, and approved by the County Committee that it is economically impracticable to maintain such number of tenants and/or croppers and/or such percentage of cotton acreage planted by tenants and/or croppers.

The contract signer shall allocate to each share tenant and/or share cropper on his farm a fair share of the acreage to be planted to cotton under his contract. In determining a fair apportionment of acreage to each share tenant or share cropper factors such as the following will be considered: the number of workers in the tenant's family, the ability and willingness to work of the tenant and his family, the number and quality of work animals of the share tenant, the productivity and the adaptability to other crops of the land apportioned to a particular tenant or cropper, and any other factors which would aid in determining what would be a fair share of the acreage for a particular share tenant or share cropper.

19. CHANGE IN STATUS OF TENANT. - No contract offer will be accepted if it shall appear that there exists between the operator or landlord and any tenant or share cropper on the farm involved any lease, contract, agreement, or understanding, unfairly exacted or required by one of such parties and entered into in contemplation of the signing of any contract with the Secretary the effect or purpose of which is:

a. To cause or obligate either such operator or landlord or the tenant or the share cropper to pay over to the other his share of any payment to be paid to him or in which he is entitled to share under said

contract with the Secretary; or

b. To change the status of any tenant or share cropper for any contract year (whether he rents for cash or a share of the crop or receives as wages a share of the crop or the proceeds) in order to deprive him of any part of any payment or of any other right or privilege of his under said contract with the Secretary to which his actual status with respect to the land prior thereto would entitle him; or

c. To reduce the tenant's or the share cropper's proportionate share of the crops raised on the farm, in contemplation of the signing of such contract with the Secretary; or

d. To increase the rent to be paid by the tenant or decrease the share of crop or its proceeds to be received by the share cropper, in contemplation of the signing of such contract with the Secretary; or if there is any reason to believe that such operator or landlord has adopted any device or scheme of any sort whatever for the purpose of depriving a tenant of any kind or a share cropper of his share of such payments or of any other right under such contract with the Secretary.

Any contract with the Secretary shall be subject to cancellation if either before or after the signing of such contract such operator or landlord or any one or more of the tenant(s) and/or share cropper(s) of the farm covered thereby have entered into any such lease, contract, agreement, or understanding or such operator or landlord has adopted any such device or scheme. Any payment made under such lease, contract, agreement or understanding out of the proceeds of any payment arising out of any contract with the Secretary shall be subject to a trust in favor of the Secretary and shall be repaid to the Secretary by the person receiving the same, together with costs incident to the collection thereof. The Secretary shall have no obligation to enforce collection of such amounts but shall have the right to do so in case he deems it necessary to effectuate the purposes of the Agricultural Adjustment Act.

Nothing in this ruling shall be construed to prevent the carrying out of any agreement between a share tenant operating an entire farm and the landlord of an irrigated farm for an equitable division of only those fixed charges for water or irrigation which apply to the adjusted acres under the terms of the Cotton Adjustment Contract with the Secretary. Nor shall the provisions of subdivision (a) of this ruling be construed to apply to any agreement or understanding fairly entered into by any party to the contract pursuant to the provisions of section 8 of the Contract.

20. EFFECT OF BREACH OF CONTRACT ON OTHER CONTRACTS. -- A breach of any Cotton Adjustment Contract for 1936-1939 shall, except as provided in Cotton Rulings, constitute a breach of all other such contracts entered into by the party committing the breach. The breach of any "Nonparticipating Agreement" entered into under Ruling No. 15b herein shall, likewise, except as provided in Cotton Rulings, constitute a breach of each Cotton Adjustment Contract for 1936-1939 entered into by the party committing the breach.

21. CERTIFICATION OF PERFORMANCE. - Certification of contractual performance on the part of the contract signer before he may become eligible to receive the adjustment payment shall not be made before July 1 of any contract year except that for the farms located in those counties recommended by the State Cotton Board and approved by the Director of the Division of Cotton such certification of contractual performance may be made as early as May 15 of such contract year.

22. OBLIGATION TO PLANT AT LEAST 50 PERCENT OF THE STIPULATED ACREAGE WHICH MAY BE PLANTED UNDER THE TERMS OF THE CONTRACT. - a. The contract signer in order to comply with the terms of the contract shall plant to cotton on the farm in each contract year not less than 50 percent of the stipulated acreage which may be planted to cotton thereon under the terms of the contract in any contract year, except where in case of a failure to plant such percentage of the acreage which may be planted it is shown to the satisfaction of the Secretary that such failure to plant such percentage was due to uncontrollable natural causes, in which event such failure to plant at least 50 percent of the acreage which could be planted thereon under the contract shall not be deemed noncompliance with the contract.

b. In case the acreage planted to cotton on the farm by a contract signer in any contract year is less than 50 percent of the stipulated acreage which may be planted thereon under the terms of the contract in any contract year, and the failure to plant such percentage was not due to uncontrollable natural causes but it is shown to the satisfaction of the Secretary that the acreage planted is economically preferable on such farm under existing conditions to 50 percent or more of the stipulated acreage which could be planted thereon under the terms of the contract, in any contract year, the Secretary may permit such contract signer to terminate his contract and execute another contract covering such farm.

In that event, the acreage which may be planted to cotton under the new contract shall be the actual acreage planted in such year multiplied by two. The base cotton acreage under the new contract shall be determined by making the same proportionate adjustment in the base cotton acreage of the original contract as was made in the "acreage which may be planted to cotton". The adjustment payment for such year shall be made upon the acreage represented by the difference in the base acreage and the acreage which may be planted to cotton as determined for the new contract.

23. MANNER OF PAYMENT IN 1936. - a. If, in 1936, the operator is the sole person entitled to the cotton produced on the farm or the proceeds thereof, the check for any payment with respect to 1936 under the Cotton Adjustment Contract for 1936-1939 shall be drawn payable to the operator unless the operator in section 15 of the contract designates a joint payee of such check in which case the check shall be drawn payable jointly to the operator and the designated joint payee.

b. If, in 1936, two or more persons are to share in either the cotton produced on any producer unit of the farm or the proceeds thereof, payment

with respect to such year shall be made as follows:

The operator shall furnish to the Secretary on a prescribed form, prior to or at the time of certification of compliance, a certificate of the facts necessary to enable the Secretary to allocate to each producer unit its share of the adjustment payment under the contract and to allocate to each person entitled to share in the cotton produced thereon or the proceeds thereof a share of such payment.

As soon as practicable after proof of compliance with the contract satisfactory to the Secretary, payment of the amounts so allocated shall be made in the following manner:

- (1) In case the operator is a share tenant operating the entire farm the share of the landlord shall be paid by check drawn payable to the landlord unless the landlord in section 16 of the contract designates a joint payee of such check in which case such check shall be drawn payable jointly to the landlord and the designated joint payee.
- (2) The share of the operator shall be paid by check drawn payable to the operator unless the operator in section 15 of the contract designates a joint payee of such check in which case such check shall be drawn payable jointly to the operator and the designated joint payee.
- (3) The share of any share tenant or share cropper shall be paid by check drawn payable to the tenant or cropper unless, prior to or in connection with certification of compliance, the tenant or cropper, on a form prescribed by the Secretary, designates a joint payee of such check pursuant to section 8 of the contract in which case such check shall be drawn payable jointly to the tenant or cropper and designated joint payee.

24. DESIGNATION OF BENEFICIARY. - Each contract signer, whether operator or landlord of a farm operated by a share tenant operating an entire farm, shall designate in the applicable space in section 15 or section 16 of the Cotton Adjustment Contract for 1936-1939, Form No. CAC 1, a beneficiary to whom any adjustment payment to which such contract signer is entitled shall be made in case of death, disappearance or incompetency (of such contract signer) pursuant to section 10 of such contract form, or to whom under the same conditions such payment shall be made jointly with the joint payee in case the contract signer has designated a joint payee in the contract pursuant to sections 8 and 9 of such contract form. Such beneficiary so designated in each such contract shall be a person other than the contract signer party thereto or the joint payee named therein.

25. APPLICATION OF RULINGS AND RESERVATION OF RIGHT TO AMEND. - The foregoing Administrative Rulings are prescribed, approved, and promulgated on the date indicated below and together with any and all amendments hereto hereafter prescribed constitute the administrative rulings referred to in the "Cotton Adjustment Contract for 1936-1939," Form No. CAC 1, as

constituting a part of the terms and conditions of said contract form and as such are binding upon each contract signer executing a contract upon said form as fully and effectively as if such rulings were set forth in full in the contract entered into upon said form. The right is hereby reserved in the Secretary of Agriculture of the United States to amend the foregoing rulings, at any and all times without previous notice, by striking out or modifying or adding to any and all of such rulings or any part thereof or adding one or more rulings thereto, and likewise to amend or strike out any and all such amendments, and every amendment so made shall likewise become a part of every contract entered into upon the aforesaid form. No amendment approved by the Secretary after the acceptance of a contract shall have the effect of decreasing the benefits which the contract signer derives from his contract or of increasing the obligations which he therein assumes or of diminishing the obligations of the United States therein undertaken. Such of the foregoing rulings or parts thereof as are clearly applicable only for the contract year 1936 do not have any application to any subsequent contract year and will in due season be replaced by other or amended rulings or parts thereof applicable to each subsequent contract year. Such of the foregoing rulings or parts thereof as are not clearly applicable for the contract year 1936 only are, and unless and until amended shall remain, applicable for each contract year subsequent to 1936.

Secretary of Agriculture.

Dated November _____, 1935.